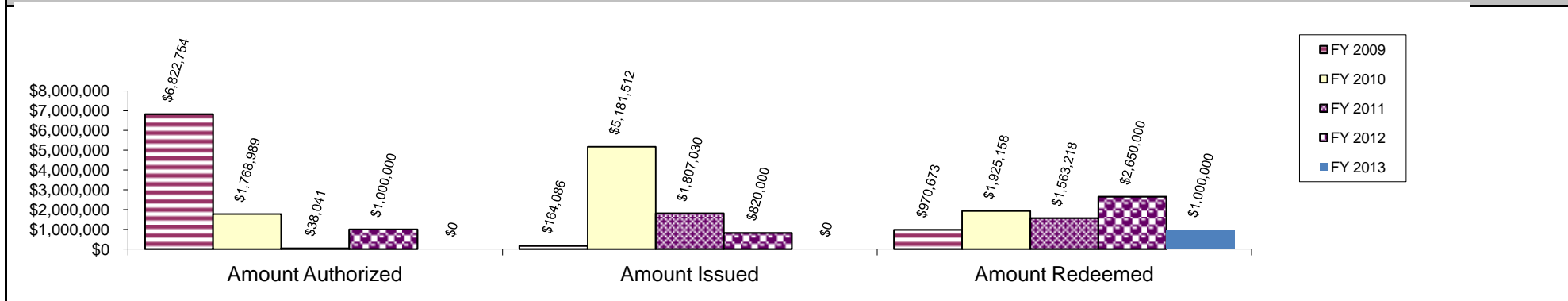


TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program		
Department: Economic Development	Contact Name & No.: Brenda Horstman 751-3713	Date: October, 2011
Program Category: Business Recruitment	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 135.750, RSMo	Applicable Taxes: Income tax, Bank tax, Insurance Premium tax, Other financial institutions	
Program Description and Eligibility Requirements: Provides a tax credit for in-state expenditures for film production projects. Prior to CY 2008, the film had to have an expected in-state expenditure budget in excess of \$300,000 to be eligible. After Jan. 1, 2008, films under 30 minutes in length must have an in-state budget in excess of \$50,000; films over 30 minutes in length must have an in-state budget in excess of \$100,000.		
Explanation of How Award is Computed: Entitlement _____ Discretionary <input checked="" type="checkbox"/>		
For years prior to 2008, the tax credit is equal to 50% of the investment in production or production related activities, but may not exceed \$1,000,000 per taxpayer, or \$1,500,000 for all taxpayers. Starting in 2008, the tax credit is up to 35% of qualified expenditures, but may not exceed \$4.5 million annually for all projects.		
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 4,500,000 _____ None _____		
Explanation of cap: The annual cap is allocated each calendar year to film projects based on pre-applications submitted to DED. Effective January 1, 2008 the annual cap increased from \$1,500,000 to \$4,500,000.		
Explanation of Expiration of Authority: This program sunsets in 2013 unless reauthorized by the general assembly.		
Specific Provisions: (if applicable) Carry forward <u>5</u> years Carry Back _____ years Refundable _____ Sellable/Assignable <input checked="" type="checkbox"/> Additional Federal Deductions Available _____		
Comments on Specific Provisions:		

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 (current year)	FY 2013 (budget year)
Certificates Issued (#)	5	4	5	2	0
Projects (#)	8	4	2	6	0
Amount Authorized	\$6,822,754	\$1,768,989	\$38,041	\$1,000,000	\$0
Amount Issued	\$164,086	\$5,181,512	\$1,807,030	\$820,000	\$0
Amount Redeemed	\$970,673	\$1,925,158	\$1,563,218	\$2,650,000	\$1,000,000
EST. Amount Outstanding	N/A	N/A	\$4,876,942	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (5 years)	Derivation of Benefits Investment: (a) \$164,300 in Missouri spending associated with motion picture production in 2011. Employment: (a) n/a Other Assumptions: (a) n/a Incentives/Credits: (a) \$38,041 in authorized Film tax credits redeemed between 2011-2016. Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11).
BENEFITS			
Direct Fiscal Benefits	\$2,954	\$3,909	
Indirect Fiscal Benefits	\$2,304	\$3,048	
Total	\$5,258	\$6,957	
COSTS			
Direct Fiscal Costs	\$6,340	\$35,958	
Indirect Fiscal Costs	\$0	\$0	
Total	\$6,340	\$35,958	
BENEFIT: COST	0.83	0.19	

Other Benefits:

In FY-2011, every dollar of authorized program tax credits returns

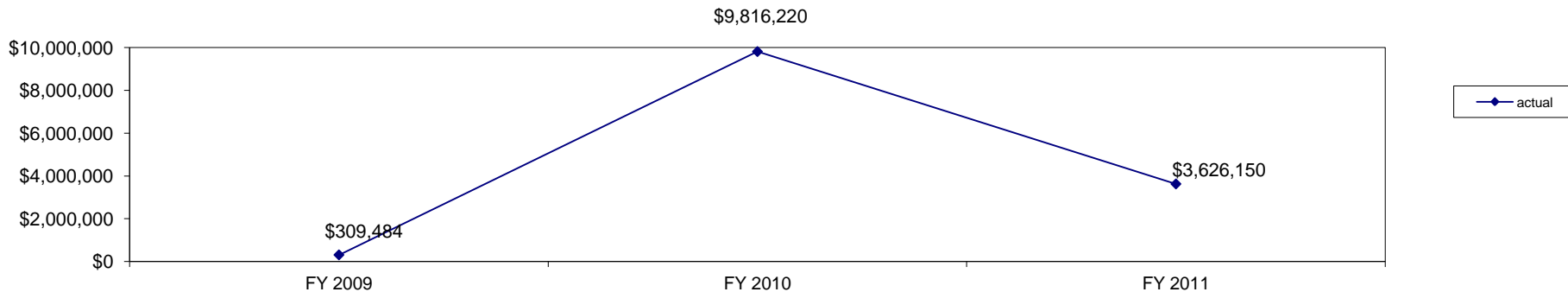
\$14.44 in new personal income totaling	\$0.09 million
\$34.68 in new value-added/GSP totaling	\$0.22 million
\$53.35 in new economic output totaling	\$0.34 million

Over 5 YEARS, every dollar of authorized program tax credits returns

\$2.96 in new personal income totaling	\$0.11 million
\$5.17 in new value-added/GSP totaling	\$0.19 million
\$9.40 in new economic output totaling	\$0.34 million

PERFORMANCE MEASURE(S)

Leveraged Investment



Comments on Performance Measure:

Audited dollars of Missouri spend minus the state investment of tax credits.